

GRAMBLING STATE UNIVERSITY
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2012

Sean M. Bruno
Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Dr. Frank G. Pogue, President
Grambling State University
Grambling, Louisiana 71245

I have audited the accompanying Schedule of Expenditures of Federal Awards of **Grambling State University (the University)** for the year ended June 30, 2012. The Schedule of Expenditures of Federal Awards is the responsibility of the management of **the University**. My responsibility is to express an opinion on the Schedule of Expenditures of Federal Awards based on my audit. The accompanying Schedule of Expenditures of Federal Awards is not a part of **the University's** component unit financial statements for the year ended June 30, 2012. The component unit financial statements which are included as a component unit of the financial statements of the University of Louisiana System were audited by the State of Louisiana's Legislative Auditor whose report had not been issued as of this report issuance date.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133. Those standards and the provisions of OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the Schedule of Expenditures of Federal Awards are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Expenditures of Federal Awards. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Expenditures of Federal Awards. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the accompanying Schedule of Expenditures of Federal Awards of **Grambling State University** presents fairly, in all material respects, the expenditures of federal awards for the year ended June 30, 2012 in conformity with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)**

Dr. Frank G. Pogue, President
Grambling State University
Grambling, Louisiana 71245
Page 2

In accordance with *Government Auditing Standards*, I have also issued my report dated January 28, 2013 on my consideration of the **University's** internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of my audit.

My audit was performed for the purpose of forming an opinion on the Schedule of Expenditures of Federal Awards taken as a whole. The supplementary data included in this report is presented for the purpose of additional analysis and is not a required part of the Schedule of Expenditures of Federal Awards. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Schedule of Expenditures of Federal Awards. The information has been subjected to the auditing procedures applied in the audit of the Schedule of Expenditures of Federal Awards and, certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Schedule of Expenditures of Federal Awards or to the Schedule of Expenditures of Federal Awards itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in my opinion is fairly stated in all material respects in relation to the Schedule of Expenditures of Federal Awards taken as a whole.



SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS

January 28, 2013

Sean M. Bruno
Certified Public Accountants

GRAMBLING STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
 <u>U.S. Department of Defense</u>			
<i>Research and Development</i>			
<i>Awards from a Pass-Through Entity:</i>			
Through: Clarkson Aerospace Corp			
Airforce Defense Research Sciences Program	12.800	050-1912	\$ <u>125.845</u>
Total U.S. Department of Defense			<u>125.845</u>
 <u>U.S. Department of Justice</u>			
<i>Direct Awards</i>			
Congressionally Recommended Awards	16.753	N/A	<u>50.085</u>
Total U.S. Department of Justice			<u>50.085</u>

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>National Aeronautics and Space Administration</u>			
<i>Research and Development</i>			
<i>Direct Awards:</i>			
Minority University Research and Education Program	43.Unknown	N/A	\$ 98,485
Total National Aeronautics and Space Administrations			<u>98,485</u>
<u>National Science Foundation</u>			
<i>Research and Development</i>			
<i>Direct Awards</i>			
Education and Human Resources	47.076	N/A	<u>472,702</u>
Total National Science Foundation			<u>472,702</u>

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U.S. Small Business Administration</u>			
<i>Research and Development</i>			
<i>Direct Awards</i>			
Congressional Earmark	59.Unknown	N/A	\$ <u>130,155</u>
Total U.S. Small Business Administration			<u>130,155</u>

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U.S. Department of Education</u>			
<i>Direct Awards</i>			
Higher Education - Institutional Aid	84.031	N/A	\$ 5,237,588
TRIO-Student Support Services	84.042	N/A	372,663
Safe and Drug Free Schools and Communities Master's Degree Programs at Historically Black Colleges and Universities (Graduate) Training to Teaching Program	84.186	N/A	16,900
	84.382G	N/A	437,080
	84.350B	N/A	325,925
<u>Student Financial Assistance Cluster</u>			
<i>Direct Awards</i>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	596,992
Federal Work-Study Program	84.033	N/A	499,641
Federal PELL Grant Program	84.063	N/A	16,863,749
Teacher Education Assistance for College and Higher Education Grants	84.379	N/A	89,000
Subtotal - Student Financial Assistance Cluster			<u>18,049,382</u>
Total U.S. Department of Education			<u>24,439,538</u>

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Research and Development</i>			
<i>Direct Awards</i>			
Biomedical Research and Research Training	93.859	N/A	\$ 521,386
<i>Student Financial Aid Cluster</i>			
Scholarships for Health Profession Students From Disadvantaged Backgrounds - Scholarships for Disadvantaged Students	93.925	N/A	62,252
<i>Awards from a Pass-Through Entity</i>			
Through: <u>Center for Health Training</u> HIV Prevention Programs for Women	93.015	942289908	(100)
Through: <u>Morehouse School of Medicine</u> Substance Abuse and Mental Health Services Project of Regional and National Significance	93.243	T1-17165	14,786
Through: <u>Meharry Medical School</u> Substance Abuse and Mental Health Services Project of Regional and National Significance	93.243	D34HP16299	<u>2,660</u>
Total U.S. Department of Health and Human Services			<u>600,984</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>25,917,794</u>

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - GENERAL:

Grambling State University (the University) located in Grambling, Louisiana is an institution of higher education founded in 1901.

The University is a multi-purpose state supported co-education institution with degree-granting academic units which include the following:

- College of Business;
- College of Education;
- School of Social Work;
- School of Nursing;
- College of Science Technology; and
- College of Liberal Arts.

As defined by Government Accounting Standards Board Statement Number 14, **the University** is a component unit of the State of Louisiana (the Financial Reporting Entity) within the executive branch of government and is governed by the Board of Supervisors for the University of Louisiana System.

The University has an enrollment of approximately 5,207 students and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.

Grambling State University is the recipient of various Federal grants, subgrants and awards from the U.S. Department of Education, the U.S. Department of Health and Human Services, the State of Louisiana and other agencies to assist in achieving a higher level of learning for its student body. Total direct federal and federal awards passed through other agencies amounted to more than \$25,917,794 for the fiscal year July 1, 2011 through June 30, 2012. Included in this amount is funding for the Student Financial Aid Program Cluster which totaled \$18,111,634.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 1 - GENERAL, CONTINUED:

Student Financial Aid

Grambling State University was approved during January 1959 by the then Office of Education for participation in the Student Financial Aid Programs. These programs include the Federal Nursing Student Loan Program, Federal Work Study Program (FWS), Federal Supplemental Education Opportunity Grant Program (FSEOG), Federal PELL Grant and the Federal Direct Student Loan Program (FFEL). Listed below is a brief description of the Student Aid Programs administered by **the University**.

o Nursing Student Loan Program (NSL)

The University entered into an agreement with the U.S. Department of Health and Human Services to establish a Nursing Student Loan Program. The records of the institution indicate that loans aggregating \$364,849 have been made to students. **The University's** participation in the Nursing Student Loan Program was terminated due to the high default rate.

o Federal Work-Study Program (FWS)

The University established the FWS Program pursuant to Title IV, Part C of the Higher Education Act of 1965, as amended. During the year ended June 30, 2012, federal expenditures totaled \$499,641, of which \$23,792 was for administrative costs and \$475,849 for wages.

The University elected and received approval from the U.S. Department of Education to waive the institutional matching requirement for the Federal Work Study program's approved funding level for the fiscal year ended June 30, 2012. **The University** was entitled to this waiver because of its participation in the Strengthening Historically Black Colleges Title III Program.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 1 - GENERAL, CONTINUED:

o FSEOG Program

The FSEOG Program was established at **the University** in 1965 under Title IV, Part A of the Higher Education Act of 1965, as amended. During the year ended June 30, 2012, federal expenditures totaled \$596,992, of which \$28,428 was for administrative costs and \$568,564 for direct awards to students. **The University** received approval from the U.S. Department of Education to waive the institutional matching requirement for the FSEOG program.

o Federal PELL Grant Program

The Institution entered into an agreement with the Office of Education to participate in the Federal PELL Grant Program. This program provides eligible students with a foundation of financial aid to help defray the costs of post secondary education. During the year \$16,863,749 was expended for Federal PELL Grant awards to full-time and part-time students. **The University** received an administrative cost reimbursement of \$18,385.

o Federal Direct Student Loan Program

The Federal Direct Student Loan Program enables eligible undergraduate students to borrow directly from the federal government. During the current year, approximately \$52,562,089 was disbursed to students under the Federal Direct Student Loan Program. The Federal Family Education Loan Program's Cohort default rate is 12.0 percent.

The Student Financial Aid programs are administered by **the University's** Financial Aid Department. All accounting for the Student Financial Aid programs is performed by **the University's** Accounting Department. Accounting is under the control of the Vice-President for Finance, and Financial Aid reports to the Vice-President for Enrollment Management and Academic Services.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 2 - BASIS OF PRESENTATION AND ACCOUNTING:

The information in the Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The purpose of the Schedule of Expenditures of Federal Awards is to present a summary of those activities of **Grambling State University** for the year ended June 30, 2012 which have been financed principally by the U. S. Government (federal awards). For purposes of the Schedule, federal awards include all Federal assistance and procurement relationships entered into directly between **the University** and the federal government and sub-awards from non-federal organizations made under federally sponsored agreements. Because the Schedule presents only a selected portion of the activities of **the University**, it is not intended to and does not present either the financial position, changes in net assets or the current fund's revenues, expenditures, and other changes of **the University**.

The Schedule of Expenditures of Federal Awards is presented on the modified accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

**NOTE 3 - PROGRAM ORGANIZATION AND FINANCING-
(NURSING STUDENT LOAN PROGRAMS):**

The Nursing Student Loan Program is operated by **the University** under an agreement with the Department of Health and Human Services. The accounts of the program are included among the Loan Funds of **the University**.

The University did not make any loans to students for the year ended June 30, 2012.

The program was financed by contributions from the U.S. Department of Health and Human Services, which were matched, at a ratio of one-to-nine by contributions from **the University**. However, during the year ended June 30, 1997, **the University** was notified by the Department of Health and Human Services that the program was terminated due to the high default rate. The contributions made to the program, repayments to the federal government and loans receivables are as follows:

Analysis of Nursing Student Loan Contributions

<u>Funding Source</u>	<u>Period from Inception to June 30, 2012</u>	<u>For the Year Ended June 30, 2012</u>
Federal	\$ 318,176	\$ -0-
University	<u>35,353</u>	<u>-0-</u>
Total	\$ <u>353,529</u>	\$ <u>-0-</u>

Analysis of Repayments

Funding Source

Federal	\$ 292,580	\$ -0-
University	<u>7,835</u>	<u>-0-</u>
Total	\$ <u>300,415</u>	\$ <u>-0-</u>

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 3 - PROGRAM ORGANIZATION AND FINANCING-
(NURSING STUDENT LOAN PROGRAMS), CONTINUED:

Analysis of Nursing Student Loan Receivable

	Period from Inception to <u>June 30, 2012</u>	For the Year Ended <u>June 30, 2012</u>
Balance, beginning of period/year	\$ -0-	\$ 1,123
Funds advanced/adjustments	<u>364,849</u>	<u>-0-</u>
 Total	 <u>364,849</u>	 <u>1,123</u>
Less: Collections	261,381	44
Adjustments	24	-0-
Cancellations	2,128	-0-
Allowance for bad debts	<u>100,237</u>	<u>-0-</u>
 <u>Total credits</u>	 <u>363,770</u>	 <u>-0-</u>
 Balance, June 30, 2012	 <u>\$ 1,079</u>	 <u>\$ 1,079</u>

NOTE 4 - DEPARTMENT OF EDUCATION LOAN:

The University of Louisiana System Board of Trustees has signed a loan agreement, on behalf of **the University**, with the U.S. Secretary of Education in the amount of \$3,500,000. These funds are to be used for financing the construction of four new dormitories pursuant to Title IV of the Housing Act of 1950. The loan shall bear interest at the rate of 3% per annum on the unpaid balance. The principal and interest shall be payable in semi-annual installments of \$88,877 over a term of 30 years.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 4 - DEPARTMENT OF EDUCATION LOAN, CONTINUED:

As of June 30, 2012, the outstanding loan balance totaled \$1,718,069. Principal and interest payments totaling \$177,754 were made during the year. This balance is disclosed in the Schedule of Disclosures for Federally Assisted Loans.

NOTE 5 - SUPPLEMENTARY FINANCIAL INFORMATION:

The Schedule of Disclosures for Federally Assisted Loans summarizes the amount of loans made or disbursed during the year for the Federal Direct Student Loan Program, College Housing Facilities Loans, the Nursing Student Loan Programs and the U.S. Department of Education.

The Schedule of Fixed Price Contracts summarizes the total amount of revenues received under fixed-price contracts.

The Schedule of Secondary Sub-recipients of Major Federal Programs represents disbursements of major program funds to non-state of Louisiana sub-recipients.

The Schedule of State Agency/University Sub-recipients of Federal programs represents disbursements of federal funds to State of Louisiana agencies.

The Schedule of Inter-Agency Expenditures of Federal Awards summarizes federal expenditures financed by the State of Louisiana with funds received from the federal government.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 6 - CONTINGENCIES:

Participation in Grant Programs

The **University** administers and participates in certain federal and state programs as disclosed in the Schedule of Expenditures of Federal Awards. In connection with the administration and operations of these grants, **the University** is to expend grant funds and allocations in accordance with program guidelines and regulations. However, should **the University** have operated/administered the programs and/or grants in a manner which would be in non-compliance with the guidelines and regulations, **the University** may be required by the funding sources to repay some portion or all of the grant award.

NOTE 7 - MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS:

Grambling State University's major federal financial assistance programs for the year ended June 30, 2012 were determined based on federal expenditures incurred by **the University** during the year. Such programs are the Student Financial Assistance Cluster, Higher Education - Institutional Aid, Transition to Teaching, and Master's Degree Programs at Historically Black Colleges and Universities (Graduate).

SUPPLEMENTARY DATA

SCHEDULE I

GRAMBLING STATE UNIVERSITY
SCHEDULE OF DISCLOSURES FOR FEDERALLY ASSISTED LOANS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Program Name/Title</u>	<u>Federal CFDA NO.</u>	<u>Loans Made or Disbursed During Year</u>	<u>Outstanding Loan Balance</u>	<u>Principal and Interest Cancelled</u>
Federal Direct Student Loan Program	84.268	<u>\$52,562,089</u>	N/A	N/A
Perkins Loan Program	84.038	<u>\$ -0-</u>	<u>\$ -0-</u>	N/A
Nursing Student Loan Program	93.364	<u>\$ -0-</u>	<u>\$ 1,079</u>	N/A
College Housing and Other Facilities Loans	84.142	N/A	<u>\$ -0-</u>	N/A
U.S. Department of Education - Housing Act of 1950	N/A	N/A	<u>\$ 1,718,069</u>	N/A

See the Independent Auditor's Report on Supplementary Information.

**GRAMBLING STATE UNIVERSITY
SCHEDULE OF FIXED PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Program Name</u>	<u>CFDA No.</u>	<u>Grantor</u>	<u>Period</u>	<u>Revenues</u>
(1)	(1)	(1)	(1)	(1)

- (1) Grambling State University did not receive any revenues under the terms of fixed-priced contracts during the year ended June 30, 2012.

See the Independent Auditor's Report on Supplementary Information.

SCHEDULE III

**GRAMBLING STATE UNIVERSITY
SCHEDULE OF SECONDARY SUB-RECIPIENTS
OF MAJOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor</u>	<u>CFDA or Other Number</u>	<u>Program Name</u>	<u>Activity</u>	<u>Secondary Sub-recipient</u>
(1)	(1)	(1)	(1)	(1)

- (1) Grambling State University did not disburse any funds to secondary sub-recipients of major federal programs during the year ended June 30, 2012.

See the Independent Auditor's Report on Supplementary Information.

SCHEDULE IV

GRAMBLING STATE UNIVERSITY
SCHEDULE OF STATE AGENCY/UNIVERSITY SUB-RECIPIENTS
FOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Federal Grantor</u>	<u>CFDA or Other Number</u>	<u>Program Name</u>	<u>Activity</u>	<u>Secondary Sub-recipient</u>
National Aeronautics and Space Administration	43.unknown	CIPAIR Curriculum Improvement	<u>6,373</u>	Southern University at Shreveport
	Total		<u>\$ 6,373</u>	

See the Independent Auditor's Report on Supplementary Information.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF INTER-AGENCY EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR/ PROGRAM NAME	FEDERAL		PRIMARY STATE AGENCY	CURRENT YEAR EXPENDITURES
	CFDA OR OTHER NUMBER			
U.S. Department of Defense- Basic and Applied Scientific Research	12.300		Louisiana State University	\$ 3,418
U.S. Department of Labor- Workforce Investment Act/Youth Activities	17.259		Coordinating and Development Co.	102,703
National Science Foundation- Mathematical and Physical Sciences	47.049		Louisiana Tech University	37,865
Mathematical and Physical Sciences	47.049		Louisiana Board of Regents	121,000
Education and Human Resources	47.076		Louisiana Board of Regents	61,940
U.S. Department of Energy Office of Science Financial Assistance Program	81.049		Louisiana State University	16,963

See the Independent Auditor's Report on Supplementary Information.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF INTER-AGENCY EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR/ PROGRAM NAME	FEDERAL		PRIMARY STATE AGENCY	CURRENT YEAR EXPENDITURES
	CFDA OR OTHER NUMBER			
U.S. Department of Education				
State Matching Fund Grant	84.unknown		Louisiana Board of Regents	\$ 32,175
Safe and Drug Free Schools and Communities	84.186		Louisiana State University	(1,821)
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		Louisiana Board of Regents	104,517
Teacher Quality Partnership Grants	84.336		Louisiana Board of Regents	3,281
U.S. Department of Health and Human Services				
Child Welfare Research Training or Demonstration	93.648		Louisiana State University	45,481
Foster Care Title IV-E	93.658		Northwestern State University	<u>123,293</u>
Total				\$ <u>650,815</u>

See the Independent Auditor's Report on Supplementary Information.

Sean M. Bruno
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Society of Louisiana
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INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Dr. Frank G. Pogue, President
Grambling State University
Grambling, Louisiana 71245

I have audited the Schedule of Expenditures of Federal Awards of **Grambling State University (the University)** as of and for the year ended June 30, 2012, and have issued my report thereon dated January 28, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The component unit financial statements which are included as a component unit of the financial statements of the University of Louisiana System were audited by the State of Louisiana's Legislative Auditor whose report had not been issued as of this report issuance date.

Internal Control Over Financial Reporting

Management of **the University** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, except for the functions performed at **the University's** Service Bureau in connection with processing transactions for the NDSL/Perkins program and Nursing Student Loan Program, I considered **the University's** internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the Schedule of Expenditures of Federal Awards, but not for the purpose of expressing an opinion on the effectiveness of **the University's** internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of **the University's** internal control over financial reporting.

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting, Continued

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of **the University's** financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses. and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **the University's** Schedule of Expenditures of Federal Awards is free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of Schedule of Expenditures of Federal Award amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

(CONTINUED)

This report is intended for the information and use of the President, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.



SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS

January 28, 2013

Sean M. Bruno
Certified Public Accountants

Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Dr. Frank G. Pogue, President
Grambling State University
Grambling, Louisiana 71245

Compliance

I have audited the compliance of **Grambling State University (the University)** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The component unit financial statements were audited by the State of Louisiana's Legislative Auditor whose report had not been issued as of my report issuance date. **The University's** major federal programs are identified in the summary of independent auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **the University's** management. My responsibility is to express an opinion on **the University's** compliance based on my audit.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **the University's** compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on **the University's** compliance with those requirements.

In my opinion, **the University** complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of my auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-01 and 2012-02.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

Internal Control Over Compliance

Management of **the University** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered **the University's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing my opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of **the University's** internal control over compliance.

A deficiency in **the University's** internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

Internal Control Over Compliance, Continued

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, I identified a certain deficiency in internal control over compliance that I consider to be a significant deficiency as described in the accompanying Schedule of Findings and Questioned Costs as items 2012-01 and 2012-02.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The University's response to the findings identified in my audit are described in the accompanying Schedule of Findings and Questioned Costs. I did not audit **The University's** response and, accordingly, I express no opinion on it.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

This report is intended solely for the information and use of the President, management, federal awarding agencies and pass-through entities, and the legislative auditor's office and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.


SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS

January 28, 2013

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE I - Summary of the Independent Auditor's Results

- | | |
|--|---------------------------|
| 1. Type of report issued on the Schedule of Expenditures of Federal Awards: | <u>Unqualified</u> |
| 2. Did the audit disclose any material weaknesses in internal control over financial reporting? | <u>No</u> |
| 3. Did the audit disclose any significant deficiencies in internal control over financial reporting? | <u>No</u> |
| 4. Did the audit disclose any non-compliance which is material to the financial statements of the organization? | <u>No</u> |
| 5. Did the audit disclose any material weaknesses in internal control over major federal programs? | <u>No</u> |
| 6. Did the audit disclose any significant deficiencies in internal control over major programs? | <u>Yes</u> |
| 7. Type of report issued on compliance for major programs: | <u>Unqualified</u> |
| 8. Did the audit disclose any audit findings which the independent auditor is required to report under OMB Circular A-133, Section 510(a)? | <u>Yes</u> |

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE I - Summary of the Independent Auditor's Results, Continued

9. The following is an identification of major programs:

<u>CFDA Number</u>	<u>Federal Program</u>
<i>Student Financial Aid Cluster</i>	
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.379	Teacher Education Assistance for College and Higher Education Grants
93.925	Scholarship for Health Profession Students from Disadvantaged Backgrounds
84.031	Higher Education - Institutional Aid
84.350	Transition to Teaching
84.382	Masters Degree Programs at Historically Black Colleges and Universities (Graduate)

10. The dollar threshold used to distinguish between Type A and Type B Programs, as described in OMB Circular A-133, Section 520(b) is as follows:

<u>Program</u>	<u>Amount</u>
Type A	\$300,000

11. Did the auditee qualify as a low-risk auditee under OMB Circular A-133, Section 530: No

12. Were management letter comments issued: No

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE II - Financial Statement Findings

None noted.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE III - Federal Award Findings and Questioned Costs

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

<u>Audit Finding Reference Number</u>	<u>Questioned Cost</u>
2012 - 01 - Return of Title IV Funds	<u>\$ 1,972</u>

Federal Program and Specific Federal Award identification

CFDA Title and Number

84.063 Federal Pell Grant Program

84.268 Federal Direct Student Loan (Direct Loan)

Federal Award Year

June 30, 2012

Federal Agencies

U. S. Department of Education

Pass-Through Entity

Not applicable

Criteria

OMB Circular A-133 Compliance Supplement, Part 5 Section (N) (4) specifies that when a student receives Title IV assistance and withdraws from an institution, the institution must determine the amount of Title IV aid earned by the student as of the withdrawal date. The difference between any amounts earned that is less than the amount disbursed must be returned to the Title IV program within the prescribed time frame.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE III - Federal Award Findings and Questioned Costs, Continued

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

2012 - 01 - Return of Title IV Funds, Continued

Condition and Perspective

During our audit, I noted the following conditions during our audit:

- During my testing of Return of Title IV Funds calculations, I selected twenty (20) students for testing and noted that four (4) out of the twenty (20) had calculations that were done incorrectly, which resulted in \$456 being required to be returned. In addition, two (2) of the four (4) calculations resulted in grant overpayments to be returned by the student. Based on my testing, the students were not notified of the grant overpayment; which resulted in no payment arrangements being made by the student, no amounts being paid by the students or **the University**, and nor was the National Student Loan Data System notified of the grant over payments. The amount of the grant overpayments totaled \$1,516.
- During the test of unofficial withdrawals, I noted that there were two hundred and ninety seven student (297) that unofficially withdrew from **the University** and received Title IV aid during the Fall 2011 and Spring 2012 semesters. Based on procedures performed, I noted that **the University** incorrectly determined the last date of academic related activity for thirteen (13) of the twenty (20) students tested. The student received Title IV aid based upon the student's enrollment at the beginning of the semester; however, the students did not engage in academic related activity and/or did not attend some or all of the classes enrolled which should have reduced their enrollment status. The reduction in enrollment resulted in a reduction in eligible Title IV aid.

Cause

The University failed to adhere to established procedures in processing certain refunds.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE III - Federal Award Findings and Questioned Costs, Continued

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

2012 - 01 - Return of Title IV Funds, Continued

Questioned Costs

For purposes of this condition, I have questioned of \$1,516 relating to the PELL grant program and \$456 relating to the Federal Direct Student Loan Program. We were unable to determine the amount of questioned costs that relate to the unofficially withdrawn students.

Effect

The University has not complied with Title IV regulations that specify if a student withdraws from school within a certain time frame a refund must be processed, calculated properly and remitted to the Title IV program in accordance with established time frames.

Recommendation

I recommend that management immediately make the necessary determination as to whether or not the students unofficially withdrew from **the University**, ensure that the last date of academic related activity was correct, prepare the Return of Title IV Funds calculation, and return the funds to the Department of Education.

Management's Response

Management concurs that several students ceased to attend **the University** during the academic year resulting in the need for a Return of Title IV (R2T4) Refund Calculation. Management further acknowledges that these required calculations were in fact prepared based on the best available data at the time. However, subsequent to the accurate and timely calculation, faculty members updated the student's attendance data which caused the original calculation to be inaccurate.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE III - Federal Award Findings and Questioned Costs, Continued

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

2012 - 01 - Return of Title IV Funds, Continued

Management's Response, Continued

The University has modified its Return of Title IV Funds Policy (#43103), effective March 7, 2013. This policy delineates the requirements for each department involved to ensure that Title IV funds are returned in an accurate and timely manner.

The completion date of this process was March 7, 2013.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE III - Federal Award Findings and Questioned Costs, Continued

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

<u>Audit Finding Reference Number</u>	<u>Questioned Cost</u>
2012 - 02 - Federal Work-Study	<u>\$ 195</u>

Federal Program and Specific Federal Award identification

CFDA Title and Number

84.033 Federal Work-Study Program (FWS)

Federal Award Year

June 30, 2012

Federal Agencies

U. S. Department of Education

Pass-Through Entity

Not applicable

Criteria

Record keeping requirements, 34 CFR 675.19(b) cite that a school must follow the record retention and examination provisions and establish and maintain program and fiscal records that are reconciled at least monthly.

Conditions and Perspectives

During my audit of the federal work-study program, I noted six (6) students out of ten (10) students tested who worked while scheduled to be in class.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE III - Federal Award Findings and Questioned Costs, Continued

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

2012 - 02 - Federal Work-Study, Continued

Cause

The University updated their systems and the control feature that did not allow students to sign in while schedules to be in class was inadvertently turned off. The matter has since been corrected by management.

Questioned Costs

For purposes of this condition, I have questioned costs totaling \$ 195.

Effect

The University is not in compliance with their established policies and procedures and federal regulations.

Recommendation

I recommend that management of **the University** adhere to established policies and procedures regarding the work-study program and ensure that students are not allowed to work while scheduled to be in class.

Management's Response

Management concurs that several students were permitted to work while scheduled to be in class, in violation of Federal Work Study Program requirements. This violation resulted from an IT upgrade which overwrote a patch in the system that had prevented such occurrence in the past. Once identified, the patch was re-installed and the violation has not occurred since.

The corrective action was undertaken by the Payroll Office and will be monitored by the Payroll Manager to ensure that future upgrades do not remove the patch.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Schedule 8-3 Form
FYE 06/30/2012

Finding Reference Number: F-08-ED-GSU-5

Entity's Name: Grambling State University

Finding Title: Federal Work-Study

Single Audit Report Year: 2008

Initial Year of Finding: 2007

Page Number (from Single Audit report): 89

Federal Grantor Agency(s): U.S. Department of Education

CFDA Number(s): 84.033

"Pass-Through Entity" (if applicable) Not Applicable

Amount of Questioned Costs in Finding: \$ 3,068

Status of Questioned Costs: Unresolved

Briefly describe the status of the Questioned Costs.

Amount of questioned costs totaled \$3,068. In addition to the audit finding, GSU was required to do a 100% file review and it was determined that \$ 30,862 should be returned for those students that received overpayments and \$ 29,945 for those students that did not receive the full amount of work study. These costs have not been paid by the university.

Status of Finding Fully Corrected

Provide a description of the finding status.

Preparer's Name: Dr. Albert J. Tezeno

Preparer's E-mail Address: Tezenoa@gram.edu

Phone Number: 318-274-6190

Schedule 8-3 Form
FYE 06/30/2012

Finding Reference Number: F-08-ED-GSU-7

Entity's Name: Grambling State University

Finding Title: Verification

Single Audit Report Year: 2008

Initial Year of Finding: 2008

Page Number (from Single Audit report): 92

Federal Grantor Agency(s): U.S. Department of Education

CFDA Number(s): 84.032/063

"Pass-Through Entity" (if applicable) Not applicable.

Amount of Questioned Costs in Finding: \$ 24,860

Status of Questioned Costs: Resolved

Briefly describe the status of the Questioned Costs.

The Department of Education determined that the university did not have to return any questioned costs.

Status of Finding Fully Corrected

Provide a description of the finding status.

Preparer's Name: Dr. Albert J. Tezeno

Preparer's E-mail Address: Tezenoa@gram.edu

Phone Number: 318-274-6190

Schedule 8-3 Form
FYE 06/30/2012

Finding Reference Number: F-09-ED-GSU-14

Entity's Name: Grambling State University

Finding Title: Verification

Single Audit Report Year: 2009

Initial Year of Finding: 2008

Page Number (from Single Audit report): 132

Federal Grantor Agency(s): U.S. Department of Education

CFDA Number(s): 84.007/032/033/063

"Pass-Through Entity" (if applicable) Not applicable

Amount of Questioned Costs in Finding: \$ 44,608

Status of Questioned Costs: Resolved

Briefly describe the status of the Questioned Costs.

The Department of Education determined that the university was responsible for returning \$ 24,615.01. These funds were returned by the university in March 2012.

Status of Finding Fully Corrected

Provide a description of the finding status.

Preparer's Name: Dr. Albert J. Tezeno

Preparer's E-mail Address: Tezenoa@gram.edu

Phone Number: 318-274-6190

Schedule 8-3 Form
FYE 06/30/2012

Finding Reference Number: F-09-ED-GSU-13

Entity's Name: Grambling State University

Finding Title: Student Eligibility

Single Audit Report Year: 2009

Initial Year of Finding: 2009

Page Number (from Single Audit report): 131

Federal Grantor Agency(s): U.S. Department of Education

CFDA Number(s): 84.032/063

"Pass-Through Entity" (if applicable) Not applicable

Amount of Questioned Costs in Finding: \$ 13,891

Status of Questioned Costs: Resolved

Briefly describe the status of the Questioned Costs.
Per the Department of Education's final determination letter for 2008-2009, the finding was fully corrected.

Status of Finding Fully Corrected

Provide a description of the finding status.

Preparer's Name: Dr. Albert J. Tezeno

Preparer's E-mail Address: Tezenoa@gram.edu

Phone Number: 318-274-6190

**Schedule 8-3 Form
FYE 06/30/2012**

Finding Reference Number: F-09-ED-GSU-8

Entity's Name: Grambling State University

Finding Title: Entrance Counseling

Single Audit Report Year: 2009

Initial Year of Finding: 2009

Page Number (from Single Audit report): 127

Federal Grantor Agency(s): U.S. Department of Education

CFDA Number(s): 84.032

"Pass-Through Entity" (if applicable) Not applicable

Amount of Questioned Costs in Finding: \$ 14,860

Status of Questioned Costs: No Further Action Needed

Briefly describe the status of the Questioned Costs.
Per the Department of Education's final determination letter for 2008-2009, the finding was fully corrected.

Status of Finding Fully Corrected

Provide a description of the finding status.

Preparer's Name: Dr. Albert J. Tezeno

Preparer's E-mail Address: Tezenoa@gram.edu

Phone Number: 318-274-6190

**Schedule 8-3 Form
FYE 06/30/2012**

Finding Reference Number: F-10-ED-GSU-4

Entity's Name: Grambling State University

Finding Title: Return of Title IV Funds

Single Audit Report Year: 2010

Initial Year of Finding: 2009

Page Number (from Single Audit report): 91

Federal Grantor Agency(s): U.S. Department of Education

CFDA Number(s): 84.032/063

"Pass-Through Entity" (if applicable) Not applicable

Amount of Questioned Costs in Finding: Unable to determine

Status of Questioned Costs: No Further Action Needed

Briefly describe the status of the Questioned Costs.

Per the 2009-2010 Department of Education final determination letter, the university did not have to return any questioned costs.

Status of Finding Partially Corrected

Provide a description of the finding status.

The university began implementing corrective procedures. However, the university has not fully implemented the corrective procedures to ensure that the return of Title IV funds calculations were properly done for all required students.

Preparer's Name: Dr. Albert J. Tezeno

Preparer's E-mail Address: Tezenoa@gram.edu

Phone Number: 318-274-6190

Schedule 8-3 Form
FYE 06/30/2012

Finding Reference Number: F-11-ED-GSU-1

Entity's Name: Grambling State University

Finding Title: Ineligible TEACH Grant Recipient

Single Audit Report Year: 2011

Initial Year of Finding: 2011

Page Number (from Single Audit report): 94

Federal Grantor Agency(s): U.S. Department of Education

CFDA Number(s): 84.379

"Pass-Through Entity" (if applicable) Not applicable

Amount of Questioned Costs in Finding: \$ 4,000

Status of Questioned Costs: Resolved

Briefly describe the status of the Questioned Costs.

The \$4,000 was reimbured to the Department of Education through the G5 payment system.

Status of Finding Fully Corrected

Provide a description of the finding status.

Preparer's Name: Dr. Albert J. Tezeno

Preparer's E-mail Address: Tezenoa@gram.edu

Phone Number: 318-274-6190

Schedule 8-3 Form
FYE 06/30/2012

Finding Reference Number: F-11-ED-GSU-2

Entity's Name: Grambling State University

Finding Title: Return of Title IV Funds

Single Audit Report Year: 2011

Initial Year of Finding: 2009

Page Number (from Single Audit report): 95

Federal Grantor Agency(s): U.S. Department of Education

CFDA Number(s): 84.063/268

"Pass-Through Entity" (if applicable) Not applicable

Amount of Questioned Costs in Finding: n/a

Status of Questioned Costs: n/a

Briefly describe the status of the Questioned Costs.

Status of Finding Partially Corrected

Provide a description of the finding status.

The university began implementing corrective procedures. However, the university has not fully implemented the corrective procedures to ensure that the return of Title IV funds calculations were properly done for all required students.

Preparer's Name: Dr. Albert J. Tezeno

Preparer's E-mail Address: Tezenoa@gram.edu

Phone Number: 318-274-6190

GRAMBLING STATE UNIVERSITY
AUDIT INFORMATION SCHEDULE

Lead Auditor: SEAN M. BRUNO, Certified Public Accountants
Sean M. Bruno, CPA, Owner
Denise Small, CPA, Manager

License Number: L 4730

Telephone Number: (504) 241-3411

The audit field work was performed between October 3, 2012 and December 7, 2012 at the institution's facilities as follows:

<u>LOCATION</u>	<u>DESCRIPTION OF FACILITY (ADMIN. OR SFA OFFICES, MAIN CAMPUSES, ETC)</u>
Grambling State University (main campus)	Office of Student Financial Aid and Federal Grant office (main campus)

Institution's Accrediting Organization: Commission on Colleges of the Southern Association of Colleges and Schools.

The institution utilizes a SFA Servicer.
Campus Partners
2400 Reynolda Road
Winston-Salem, North Carolina 27106

The following functions are provided by this SFA Servicer:

1. Billing Students - Nursing Student Loans
2. Processing of cancellations and deferments - Nursing Student Loans

A review of the Servicer's compliance with Title IV Regulations was performed by the Service Bureau's independent public accountant.